

DONELAN, CLEARY, WOOD & MASER, P. C.

ATTORNEYS AND COUNSELORS AT LAW

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WASHINGTON, D. C. 20005-4078

TELEPHONE: (202) 371-9500

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March 29, 1994

Recordation No. 15793-A

0100162074

RECORDATION NO. 15793-A
FILED 1625

MAR 30 1994 -3 25 PM

RECEIVED
OFFICE OF THE
SECRETARY
MARCH 30 1994

Dear Mr. Strickland:

On behalf of The Penn Insurance and Annuity Company, I submit for filing and recording under 49 U.S.C. § 11303(a) and the regulations promulgated thereunder, executed counterparts of a secondary document, not previously recorded, entitled Notice and Acknowledgment of Assignment ("Assignment"), dated as of March 29, 1994.

The parties to the enclosed Assignment are:

Railcar, Ltd.

Suite 315

1819 Peachtree Road, N.E.

Atlanta, GA 30309-1847

Insurance and Annuity
The Penn/Mutual Life Insurance Company

530 Walnut Street

Philadelphia, PA 19172

— ASSIGNOR/LESSOR

— ASSIGNEE/LENDER

Westvaco Corporation

229 Park Avenue

New York, NY 10171

— CONSENTING PARTY/LESSEE

The said Assignment, among other things, acts to assign by the Assignor to the Assignee a security interest in that certain Lease Agreement, the said Lease Agreement recorded under Recordation No. 15793-A, and the Assignment should be recorded as "-C" under the same Recordation No. 15793.

The equipment covered by the instant Assignment is the equipment covered in the above-mentioned Lease Agreement.

A short summary of the Assignment to appear in the ICC Index is as follows:

"Assignment of security interest in Lease Agreement under 15793-A."

Please index separately the name of the above-mentioned Assignee in the ICC "Vendee/Assignee" Index Book ("white pages") as follows:

Index under The Penn Insurance and Annuity Company saying, "See Recordation No. 15793-C."

Enclosed is a check in the amount of eighteen dollars (\$18.00) in payment of the filing fee.

DONELAN, CLEARY, WOOD & MASER, P. C.

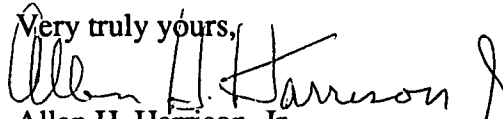
Letter to Honorable Sidney L. Strickland, Jr.

March __, 1994

Page 2

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Allen H. Harrison, Jr.", written in dark ink.

Allen H. Harrison, Jr.

*Attorney for The Penn Insurance and Annuity
Company or the purpose of this filing.*

Honorable Sidney L. Strickland, Jr.

Secretary

Interstate Commerce Commission

Washington, D.C. 20423

Enclosures

BY HAND

8375 -020

MAR 3 0 1994 -3 25 PM

NOTICE AND ACKNOWLEDGMENT
OF ASSIGNMENT

INTERSTATE COMMERCE COMMISSION

THIS NOTICE AND ACKNOWLEDGMENT OF ASSIGNMENT dated as of MARCH 29, 1994 ("Notice and Acknowledgment") among RAILCAR, LTD., a Georgia corporation ("Lessor" or "Railcar"), THE PENN INSURANCE AND ANNUITY COMPANY ("Lender"), and WESTVACO CORPORATION, a Delaware corporation ("Lessee").

W I T N E S S E T H:

A. Prior to the execution hereof, Lessor and Lessee have executed the Lease Agreement dated as of the 3rd day of May, 1988 (the "Lease"), pursuant to which Lessor has leased to Lessee the equipment described in the Lease (the "Equipment").

B. Concurrently with the execution hereof, Lessor and Lender are executing the Loan and Security Agreement dated MARCH 29, 1994, 1994 (the "Security Agreement"), pursuant to which Lessor will borrow certain funds from Lender, transfer to Lender a security interest in the Equipment, and assign to Lender Lessor's rights and interests in and under the Lease to secure Lessor's limited recourse obligation to repay the funds borrowed from Lender.

C. Lessee is willing to consent to such assignment of the Lease.

NOW, THEREFORE, in consideration of the mutual agreements contained in the Lease and the Security Agreement, and intending to be legally bound, the parties hereto agree as follows:

1. Consent of Lessee to Assignment as Security to Lender. Lessee hereby acknowledges and consents to the assignment of the Lease by Lessor to Lender under and pursuant to the Security Agreement and agrees for the benefit of Lender as follows:

(a) To make each payment to Lender of rental and other sums due under the Lease, including interest thereon for late payment thereof (which have been assigned by the Security Agreement directly to Lender), and without offset, deduction, counterclaim or abatement of any kind whatsoever, by one or more checks drawn on any bank or trust company (selected by Lessee and reasonably acceptable to Lender) having a banking office in New York, New York made payable to Lender and delivered to Lender at the address indicated in Section 1(h) hereof at least two Business Days before the date such payment is due, so long as any indebtedness of Debtor to Lender secured under the terms of the Security Agreement shall be outstanding and unpaid;

(b) That except as otherwise provided herein, each installment of rent provided for in the Lease ("Basic Rent") and each payment of casualty loss set forth in Exhibit C to the Lease ("Casualty Loss") payable under the Lease shall be, under any circumstances and in any event, payable in accordance with the terms of the Lease;

(c) Not to seek the recovery of any payment made to Lender pursuant to the Security Agreement and this Notice and Acknowledgment once such payment has been made;

(d) That so long as any indebtedness of Debtor to Lender secured under the terms of the Security Agreement shall be outstanding and unpaid, all rights of Lessor with respect to the Lease and the items of Equipment or any part thereof shall be exercisable by Lender, as assignee and secured party or lienholder, subject to the terms of the Security Agreement, but no obligations of Lessor under the Lease shall be assumed by Lender. Railcar, Ltd. reaffirms its obligations under the original Lease;

(e) [Intentionally Omitted];

(f) [Intentionally Omitted];

(g) That any amendment to, or any waiver, discharge or termination of, any term or provision of the Lease (or any consent of Lessor required thereunder) shall also require the written consent of Lender;

(h) That Lessee will deliver to Lender at The Penn Insurance and Annuity Company, Securities Investment Department, 600 Dresher Road, Horsham, Pennsylvania 19044, Attention: Richard M. Fox, a copy of all notices required to be delivered to Lessor under the Lease concurrently with the delivery of such notices to Lessor;

(i) That each of the representations, warranties and indemnities of Lessee set forth in the Lease, and the applicable grace period established under Paragraph 18 of the Lease, are hereby incorporated by reference herein and are deemed to apply to Lender as well as Lessor as fully and to the extent and with the force and effect as if set forth in full in this Section 1(i);

(j) For the purpose of applying the indemnification provisions of Paragraph 14 of the Lease to Lender, Lender and its successors, assigns, agents, servants, employees and officers shall each be entitled to indemnification by Lessee to the same extent as Lessor;

(k) That (i) the Lease has been duly authorized, executed and delivered by Lessee, has not been amended, terminated

or modified to date, and is valid and binding upon, and enforceable against, Lessee in accordance with its terms and (ii) Lessee is not in default under the Lease and has no defense to or offset against enforcement thereof; and

(1) That fixed monthly rental pursuant to Paragraph 6(b) of the Lease commenced March 1, 1989 and is scheduled to be paid over the succeeding period of fifteen (15) years, the last such monthly payment being due February 1, 2004.

3. No Further Amendments. Except as expressly modified or amended herein, all of the terms, covenants and conditions of the Lease shall remain unamended and in full force and effect.

4. Governing Law. This Notice and Acknowledgment shall be governed by and construed in accordance with the laws of the state of Pennsylvania.

5. Counterparts. This Notice and Acknowledgment may be executed in two or more counterparts, which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Notice and Acknowledgment to be duly executed as of the date first above written.

ATTEST:

LESSEE

WESTVACO CORPORATION

By: John J. Carrara

Name: JOHN J. CARRARA

Title: ASSISTANT SECRETARY

(CORPORATE SEAL)

By: Frederick C. Haas

Name: FREDERICK C. HAAS

Title: SENIOR VICE PRESIDENT

Date: MARCH 28, 1994

ATTEST:

LESSOR

RAILCAR, LTD.

By: _____

Eugene N. Martini
Vice President

(CORPORATE SEAL)

By: _____

Wilds L. Pierce
President

Date: _____

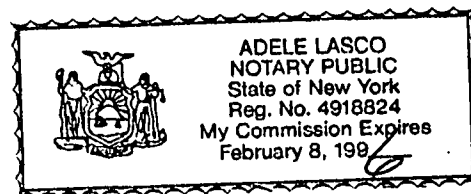
STATE OF NEW YORK
COUNTY OF NEW YORK

On this 28th day of MARCH, 1994,
before me personally appeared FREDERICK C. HAAS and
[redacted] to me personally known, who being by me duly
sworn, say that they are the SENIOR VICE PRESIDENT and
[redacted], respectively, of WESTVACO CORPORATION, that
the seal affixed to the foregoing instrument is the corporate seal
of said corporation, that said instrument was signed and sealed on
behalf of said corporation by authority of its Board of Directors,
and they acknowledged that the execution of the foregoing instrument
was the free act and deed of said corporation.

Notary Public

(SEAL)

My Commission expires:



or modified to date, and is valid and binding upon, and enforceable against, Lessee in accordance with its terms and (ii) Lessee is not in default under the Lease and has no defense to or offset against enforcement thereof; and

(1) That fixed monthly rental pursuant to Paragraph 6(b) of the Lease commenced March 1, 1989 and is scheduled to be paid over the succeeding period of fifteen (15) years, the last such monthly payment being due February 1, 2004.

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ATTEST:

LESSEE

WESTVACO CORPORATION

By: _____
Name: _____
Title: _____

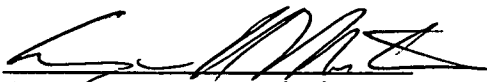
(CORPORATE SEAL)

By: _____
Name: _____
Title: _____
Date: _____

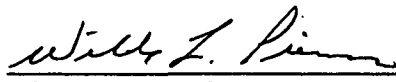
ATTEST:

LESSOR

RAILCAR, LTD.

By: 
Eugene N. Martini
Vice President

(CORPORATE SEAL)

By: 
Wilds L. Pierce
President

Date: 3/28/94

STATE OF FLORIDA
COUNTY OF DUVAL

On this 29th day of MARCH, 1994, before me personally appeared Wilds L. Pierce and Eugene N. Martini, to me personally known, who being by me duly sworn, say that they are the President and Vice President, respectively, of RAILCAR. LTD., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Bylaws, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Terry L. Young
Notary Public

(SEAL)

My Commission expires:

TERRY L. YOUNG
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires July 20, 1997
Commission No. CC 302907
Bonded thru Patterson - Becht Agency

ATTEST:

By: George F. Koch
Name: George F. Koch
Title: President Secretary

(CORPORATE SEAL)

LENDER

THE PENN INSURANCE AND ANNUITY
COMPANY

By: Leroy O. McClellan
Name: LEROY O. MCCLELLAN
Title: INVESTMENT OFFICER

Date: 3/28/94

